GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:51
ANSWERED ON:21.11.2001
LEVY ON GROSS REVENUE OF TELECOM
MOHAMMED SHAHABUDDIN;RAGHUVANSH PRASAD SINGH

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that the Government have decided to impose a 5 percent levy of gross revenue of the telecom operators to be contributed to support the basic service providers in rural areas of the country;

(b) if so, the details thereof; and

(c) the details of its utilization, sector-wise?

Answer

THE MINISTER OF PARLIAMENTARY AFFAIRS, INFORMATION TECHNOLOGY AND COMMUNICATIONS (SHRI PRAMOD MAHAJAN)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 51 FOR 21ST NOVEMBER, 2001 REGARDING LEVY ON GROSS REVENUE OF TELECOM.

(a) to (c): The New Telecom Policy, 1999, stipulates a Levy towards Universal Service Obligation.The Government had sought the recommendations of Telecom Regulatory Authority of India (TRAI) on matters relating to Universal Service Obligation.The TRAI has since given its recommendation. The TRAI has recommended 5 percent of the Adjusted Gross Revenue to be charged as Universal Service Levy from all Telecom carriers or operators, excluding pure value added service providers such as Internet Service Providers, Voice Mail Service Providers etc. which should be credited to a Universal Service Fund.This levy should come out of the license fee itself and should not be an additional levy. Provision of Village Public Telephones and Direct Exchange Lines in rural and remote areas shall be undertaken by all Basic Service operators who will be reimbursed from this fund.

The TRAI has also recommended that date of implementation of the Universal Service Support Scheme to be 1.4.2002, after which utilization of the fund would commence.

The recommendations of TRAI are being examined by Government.